

ARIZONA RACING COMMISSION

527TH REGULAR MEETING

WEDNESDAY, NOVEMBER 12, 2003

MINUTES OF PUBLIC MEETING

A public meeting of the Arizona Racing Commission was convened on Wednesday, November 12, 2003, beginning at 10:00 a.m. in Building Conference Room 250, 1110 West Washington, Phoenix, Arizona.

A. Call to Order:

Present: Chairman Burton Kruglick
Vice-Chairman Bob Ford
Commissioner Michael Napier
Commissioner Michael Vespoli

Also Present: Geoffrey E. Gonsher, Director
Mary DeLaat Williams, Assistant Attorney General
Nancy Beck, Assistant Attorney General (Item C.9.)
Blair Driggs, Assistant Attorney General (Item C.6.)
Christine Cassetta, Assistant Attorney General (by telephone Item C.6.)

Chairman Kruglick called the 527th Regular Meeting of the Arizona Racing Commission to order at 10:22 a.m.

The following matters were discussed, considered, and decided at the meeting:

A. Call to Order

- 1. Approval of the Minutes of the 526th Regular Meeting held Wednesday, October 8, 2003.**
Chairman Kruglick called for approval of the Minutes. **Vice-Chairman Ford** moved for approval.
Commissioner Napier seconded the motion. **All in favor.**

Chairman Kruglick noted that items on the agenda would be addressed out of order.

C. New Business

The following New Business items are for a status report, presentation, discussion, and possible action for the Commission.

- 9. Renewal of applications by TP Racing, L.L.L.P. (Turf Paradise) for a commercial racing permit and teletrack wagering permit for the period 2003-2004, 2004-2005, and 2005-2006. - Chairman Kruglick** asked Director Gonsher to address this item. **Director Gonsher** informed the Commission that Turf Paradise has been exceptionally cooperative in recent weeks in providing requested information and responding to questions as part of the substantive review. The Department received additional materials relating to the application submission late Monday afternoon, and because of the holiday yesterday, have not had the opportunity to review the materials. The Department requested that the Commission continue this meeting to a future date and time specific, at which time the Department will be prepared to bring a recommendation, make a presentation, and allow Turf Paradise to make a full presentation. **Chairman Kruglick** called for a motion. **Commissioner Napier** moved to continue Item No. 9 to Monday, November 17, 2003 at 3:00 p.m. **Vice-Chairman Ford** seconded the motion. **All in favor.**
- 6. Appeal of Director's Decision of Case No. 03A-011-RAC and 03A-012-RAC (Consolidated) dated September 9, 2003 (Adrian Periban-Gomez and Sal Gonzalez) - Chairman Kruglick** asked counsel for the appellant to address the Commission. **Roland Arroyo** appeared on behalf of appellant Sal Gonzalez and gave oral argument urging the Commission to reject the Director's decision to deny a rehearing. Mr. Arroyo cited the following in support of his argument for rehearing: surprise, newly discovered evidence, excessive penalty, and denial of due process. **Assistant Attorney General Blair Driggs** gave oral argument on behalf of the Department of Racing, urging the Commission to affirm the Director's decision. Commissioners asked questions of the attorneys and deliberated the matter. At the end of the deliberation **Commissioner Napier** moved to remand the entire matter of a rehearing to the Office of Administrative Hearings. **Vice-Chairman Ford** seconded the motion. **All in favor.**

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B. Department Information Reports

Commission members were provided with informational reports on all items listed below. Only select items were addressed by Director Gonsher at the Commission meeting.

Chairman Kruglick asked if Commission members had any comments on the Information Report items. **Commissioner Napier** commented on Items 3 and 8.

1. Arizona Administrative Code Revisions – Status Report
2. Yavapai Downs 2003 Meet
3. License Applicants Failure to Disclose Criminal History
4. FY 2004 Hardship Tax Credit
5. Phoenix Greyhound Park Correction of Rail System Problem
6. Teletrack Transmissions - Clarification of Information
7. OTB Closures
8. FY 2003 Final Budget Report
9. Department of Racing Education and Training Programs
10. Department of Racing Correspondence

C. New Business continued.

1. **Report on Legislation of Interest to the Racing Industry** – No report or discussion.
2. **TP Racing, L.L.L.P. Request for Additional Wagering Facilities Under 2000-2003 Teletrack Wagering Permit.**
 - a. The Armadillo Grill, 1904 East Camelback Road, Phoenix, Arizona
 - b. Gallagher's, 7575 North 16th Street, Phoenix, Arizona
 - c. Payton's Place Food & Fun, 15410 South Mountain Parkway, Phoenix, Arizona

Director Gonsher requested that the applications be approved as submitted. **Vice-Chairman Ford** moved to approve. **Commissioner Napier** seconded the motion. **All in favor.**

3. **Amendment to Apache Greyhound Park Permit - Director Gonsher** recommended approval of the request. **Ed Braunger**, Apache Greyhound Park General Manager, reviewed the request and asked for Commission approval. **Commissioner Vespoli** moved to approve. **Commissioner Napier** seconded the motion. **All in favor.**

4. **Public Hearing for Proposed Revisions to the Arizona Department of Racing Administrative Code:**

- R19-2-106 Licensing
- R19-2-109 Jockeys
- R19-2-111 Trainers
- R19-2-113 Entries and Subscriptions
- R19-2-114 Penalties and Allowances
- R19-2-115.06 Claiming Races: Claimed Horse Racing and Ownership Restrictions

Director Gonsher noted that this was the time for public hearing on Code revisions that have come before the Commission on three different occasions. **Chairman Kruglick** asked if there was anyone present that would like to comment on the proposed revisions. There was no comment. **Commissioner Vespoli** moved to approve the proposed revisions. **Vice-Chairman Ford** seconded the motion. **All in favor.**

5. **North American Pari-Mutuel Regulators Association (NAPRA)** – **Frank Lamb**, NAPRA Executive Director, gave a video and oral presentation on the history of NAPRA, its role in today's industry, and NAPRA's vision for the future.
7. **Prohibited Electrical Devices** – **David Miller**, Department of Racing Special Investigator, gave an oral presentation relating to the use of prohibited electrical devices in Arizona and the Department's efforts to police these activities. A deactivated electrical device was passed among the Commissioners for inspection.

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8. **Agreements with the Arizona Thoroughbred Breeders Association and Arizona Quarter Racing Association - Director Gonsher** informed the Commission that these are standard agreements and recommended Commission approval. **Commissioner Napier** moved for approval. **Vice-Chairman Ford** seconded the motion. **All in favor.**

10. Permittee Operations Reports

- **Apache Greyhound Park – Ed Braunger**, General Manager, reported that Apache Greyhound Park's live racing meet began November 28. They are hoping for a good year.
- **County Fairs – Roy Snedigar**, County Fair Coordinator, reported that the fall county fair racing season has ended. County fair racing will not resume until the January meeting at Rillito Park. The Arizona Counties Racing Association will hold a meeting on Tuesday, November 18 in Laughlin, Nevada, during the Arizona Fairs Association annual convention.
- Phoenix Greyhound Park – no report
- Rillito Park – no report
- **Tucson Greyhound Park – Tom Taylor**, General Manager, reported that a family reunion for adopted greyhounds was held at the track on Sunday. Over 250 greyhounds attended with their adopted owners. The event was well publicized and earned a good amount of money for the program. Mr. Taylor responded to **Vice-Chairman Ford's** inquiry on the progress of TGP's defibrillator program.
- Turf Paradise – no report
- **Yavapai Downs – Jim Grundy**, General Manager, reported that overall handle was down for the first time since 1998—a little over 9%. The biggest loss was from the signal sent out-of-state due to increased competition from other states.
- Yuma Greyhound Park – no report

C. Commission Reports

1. Summary of Current Events Affecting the Arizona Racing Commission.

Commissioner Napier asked for the status on the bill that would reduce criminal sanctions for cruelty to greyhounds. **Director Gonsher** reported that the bill that was proposed during special session has not been assigned to committee, which means it has died in session.

Chairman Kruglick asked that the Department investigate the possibility of proposing legislation to increase funding for county fairs racing at their own facilities. **Director Gonsher** reported that this matter would be brought up for discussion at the County Fair meeting in Laughlin.

Commissioner Napier reported that the committee formed to determine the feasibility of a program for retired racehorses had its first meeting. Several ideas were brought forth at the meeting. The committee hopes to set standards in this area for other jurisdictions.

2. Identification of Matters To Be Placed on Future Agendas.

Commissioner Napier asked that the following matters be placed on the next Commission agenda:

- Progress report from the Racehorse Retirement Committee
- Three-Pound Rule

Executive Sessions. The Commission may vote to go into executive session on any of the foregoing agenda items for legal advice from its attorney pursuant to A.R.S. § 38-431.03(A)(3).

E. Call to the Public

Those members of the public wishing to address the Commission must sign the signup sheet and be recognized by the Chair. Time permitting; each presentation will be given approximately five minutes. Action taken as a result of public comment will be limited to directing staff to study the matter or re-schedule the matter for further consideration at a later date.

Jeff Sandquist, representing Phoenix Greyhound Park, reported that Phoenix Greyhound Park strongly opposes HB 2105 that proposed a reduction in criminal sanctions, including those relating to cruelty to greyhounds. If the bill re-emerges, sponsors have indicated they have no problem excluding the provision that relates to greyhounds.

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Announcements

There was Commission consensus that the next regular Commission meeting would be held on December 3, 2003, at 10:00 a.m.

Adjournment:

Chairman Kruglick called for a motion to recess until Monday, November 17, 2003 at 3:00 p.m.

Commissioner Napier moved to recess the meeting. **Commissioner Vespoli** seconded the motion. **All in favor.**

The meeting is recessed until Monday, November 17, 2003 at 3:00 p.m.

Dated this 9th day of December 2003.

Arizona Racing Commission

By _____
Joyce Cozby, Commission Secretary